



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Larry D. Lisenbee

**SUBJECT: DESCRIPTIONS/USES OF CITY
OPERATING AND CAPITAL FUNDS**

DATE: May 18, 2007

Approved	/s/	Date	05/18/07
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BACKGROUND

This memorandum is prepared in response to a request from Councilmember Constant regarding information on each of the City's operating and capital funds. Specifically, Councilmember Constant requested summary information for each budgeted fund and the uses and restrictions of each fund.

ANALYSIS

As displayed in the 2007-2008 Proposed Operating and Capital Budgets, there are 111 budgeted City funds. Included in this number are the General Fund and various enterprise funds, trust and agency funds, internal service funds, special revenue funds, and capital improvement program funds. Within these fund types there are only a few general purpose funds (e.g., General Fund, General Purpose Parking Fund, Construction Excise Tax Fund, Healthy Neighborhoods Venture Fund, Cash Reserve Fund, and Emergency Reserve Fund) that are budgeted per Council policy and/or mandated by the City Charter. The sources and uses of the remaining funds are restricted by the Municipal Code, bond restrictions, State or federal law, or by Council policy. A listing of all of the budgeted funds, along with a brief description of each fund's purpose, can be found in the Budget Guide section of both the 2007-2008 Operating and Capital Budget documents. With the exception of the General Fund, spending plans for all of the operating funds can be found in the Source and Use of Funds Statements section of the Operating Budget. Source and Use information for the General Fund can be found in the Summary Information section of the Operating Budget document. The Capital Budget is organized by program, rather than fund, therefore Source and Use statements for the 15 capital programs included in the Capital Budget document often reflect information for multiple funds, all related to the projects in a specific area. The Comprehensive Annual Financial Report (CAFR), produced annually by the Finance Department, also provides a brief summary of each City fund along with financial statements as of the close of each fiscal year for each funding source.

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ANALYSIS (CONT'D.)

In an effort to consolidate budgetary and financial information on all City funds in one place, the Budget Office has embarked on a project to produce an Index of City Funds. This document, which will serve as a reference guide for all budgeted City funds, will include the following information:

- the authority for the fund;
- the budgetary location for the fund;
- purpose of the fund;
- a listing of all the funding sources for the fund;
- the department which has the lead responsibility for the fund;
- restrictions on the fund (e.g., subject to Proposition 218 requirements); and
- other relevant information regarding the fund.

The Index of City Funds project, which is anticipated to be completed in summer 2007, is being produced in coordination with the Finance Department and the Office of the City Attorney. Once complete, the listing will be distributed to the Mayor, City Council, and City departmental staff.

/s/

Larry D. Lisenbee
Budget Director